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PROGRAMMATIC REVIEW, INCLUDING SYSTEM-WIDE ISSUES

UNIDO activities in Asia and the Pacific

Report by the Director-General

Summary

Addresses specific mandates contained in General Conference resolution GC.7/Res.8.

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Introduction

1. In the period following the formulation and adoption of General Conference resolution GC.7/Res.8, the developing countries of Asia and Pacific, despite having adopted outward-looking strategies and liberal policies for integration in the global economy, have suffered serious economic setbacks as a result of continuing turmoil in financial and currency markets. The weaker economies of the region, particularly the least developed, land-locked, small island and transition economies, continue to face great constraints for the realization of their economic aspirations.

I. REGIONAL AND SUBREGIONAL ACTIVITIES

2. In recent reports to the Board on UNIDO activities in support of Asia and the Pacific, the Director-General referred to the emphasis accorded regional and subregional programmes, in particular the least developed countries (LDCs) (IDB.19/10, chap. V.D, and IDB.17/20, chaps. I and III). In the same documents, details are provided on predominantly regionally-focused projects primarily targeting LDCs, some of which are still being executed or are being expanded in the region. In addition, the following programmes have been adapted and tailor-made to meet specific requirements of countries in the region with special emphasis on LDCs. These are provided as illustrative examples, with more comprehensive information on these and other activities available upon request from the Secretariat.

Application of quality principles to the food-processing sector in seven Asian countries (Bangladesh, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal, Thailand, Viet Nam)

3. Following technical field missions carried out in 1996, a major programme aimed at demonstrating and implementing a practical approach for industry modernization in food safety has been developed. It will apply modern concepts of quality management techniques to increase the level of quality and competitiveness of the food industry. Through national industry support institutions, the programme will improve the performance of selected enterprises and strengthen national capacities of technical centres and institutions to apply modern quality management methods and tools as part of their industry support programme.

Development of a policy framework and training needs assessment for the establishment of the South-East Asian Centre for Training in Energy Development (SEACTED) (Cambodia, Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam, Yunnan Province of China)

4. As South-East Asia progresses through a period of economic and industrial growth, new demands are being placed on energy resources. The Electricity Generating Authority of Thailand recognizes that these new demands can be met effectively only if the human resources base at the country and regional level continues to expand and adjust to the growing needs of energy resources.

5. A UNIDO project will support the Electricity Generating Authority of Thailand, Chiang Mai University, and the National Science and Technology Development Agency on the establishment of SEACTED as the principal organization in energy training and education for the development of the region. In the long term, the project will raise awareness and deliver education and training services in energy and related fields across the Association of South-East Asian Nations (ASEAN) and the South-East Asian region, particularly to individuals and institutions without access to reliable sources of electricity.

Integrated advisory services for industrial policy formulation and competitiveness strategies (Cambodia, Lao People's Democratic Republic, Malaysia, Myanmar, Thailand, Viet Nam) Information on this activity is provided in the *Annual Report 1997* (IDB.19/10, chap. III, para. 79).

Introducing new technologies for abatement of global mercury pollution in Asia (Lao People's Democratic Republic, Myanmar, Papua New Guinea, Philippines) Information on this activity is provided in the *Annual Report 1997* (IDB.19/10, chap. V, para. 49) and in document IDB.17/20, paragraph 20.

II. ENVIRONMENTAL AND AGRO-INDUSTRIAL ACTIVITIES

6. Optimizing partnerships through trade and investment markets for agribusiness (OPTIMA) is an ongoing interregional programme with four beneficiary countries, three of which are in Asia (Indonesia, Malaysia and the Philippines). The programme aims at promoting investment and technology for the agro-food industries of the countries covered, utilizing methodologies developed by UNIDO. Business partnerships between European and beneficiary countries' agro-industrial enterprises will be promoted for the purposes of enhancing recipients' competitiveness, modernization and export capacity.

7. In cooperation with the International Jute Organization, a project on biotechnological application of enzymes for making pulp and paper from green jute/kenaf was developed for Bangladesh. Implementation will lead to sustained demand for raw jute, thereby protecting the interests of a large number of jute farmers. This process

will also help to reduce the consumption of polluting chemicals and to lower costs in paper-making industries. Bangladesh will also benefit from substitution of import of wood pulp for the paper industry, thus saving foreign exchange. With a total value of about $1.5 million, the project was approved by the Common Fund for Commodities (CFC) in October 1997 and will be cost-shared by CFC, the European Union and France.

III. FIELD REPRESENTATION

8. As indicated in the annex to the progress report on field representation (IDB.20/16), a total of five UNIDO Representatives were assigned to the region as of 31 August 1998. In addition, national focal points will be established in Bangladesh and Sri Lanka. Furthermore, Bhutan and Maldives will be covered by the New Delhi field office.

9. With respect to the strengthening of field representation in the region, a decision was taken to establish a UNIDO field office in Tehran, Islamic Republic of Iran. To that end, negotiations are being conducted with a view to securing contributions from the Iranian authorities with respect to the premises, office equipment, national personnel and other local expenses.

IV. COOPERATION WITH ESCAP

10. UNIDO was involved in both the substantive preparation for, and in the convening of, ESCAP's Meeting of Ministers of Industry and Technology (23-24 February 1998). To that end, the following documents were prepared and submitted to the preparatory meeting of senior officials:

(a) Progress and prospects for industrial development in LDCs towards the 21st century;

(b) Promoting competitiveness in agro-related industries through capacity-building in LDCs.

11. Prior to the meetings, UNIDO actively participated in the ESCAP regional dialogue on promoting industrial and technological complementarities, Beijing, China, from 23 to 26 November 1997, which delineated the agenda of the ministerial meeting. On the occasion of the ministerial meeting UNIDO-ESCAP cooperation was reviewed with the Director of the ESCAP Industry and Technology Division. The contents of both the Regional Action Plan for Industrial and Technological Development and the Bangkok Declaration on Strengthening Regional Cooperation for Industrial and Technological Development of the Asia and Pacific region were closely scrutinized and judged to offer a broad scope for inter-agency cooperation. The main components relate to capacity-building, technology transfer, investment and technology promotion and development of agro-based industries and requisite institutional strengthening. Likewise, UNIDO contributed substantively to the deliberations of the private sector symposium organized by ESCAP parallel to the above meeting.

V. ACTION REQUIRED OF THE BOARD

12. The Board may wish to take note of the information contained in the present document.